



State of Utah

Department of
Natural Resources

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Division of
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November 22, 2004

CERTIFIED RETURN RECEIPT
7099 3400 0016 8896 0389

W. Dan Proctor
Unico, Inc.
951 East 830 South
Pleasant Grove, Utah 84062

Subject: Seventh Review of Notice of Intention to Commence Large Mining Operations, Unico, Inc., Deer Trail Mine, M/031/003, Piute County, Utah

Dear Mr. Proctor:

The Division has completed review of your draft response to the Division's sixth technical review sent to you on October 26, 2004 for the Deer Trail mine, located in Piute County, Utah. Your response was received November 2, 2004. After reviewing the information, the Division has the following comments which still need to be addressed before tentative approval may be granted.

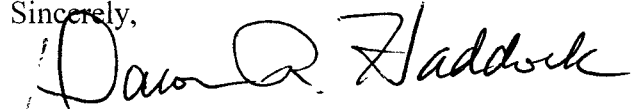
The comments are listed below under the applicable Minerals Rule heading. Please format your response in a similar fashion. **Please address only those items requested in the attached technical review. Please send replacement pages of the original notice using redline and strikeout text, so we can see what changes have been made. After the notice is determined technically complete and we are prepared to issue final approval, we will ask that you send us two clean copies of the complete and corrected plan. Upon final approval of the permit, we will return one copy stamped "approved" for your records.** Please provide a response to this review by December 10, 2004

The Division will suspend further review of the Deer Trail Mine Notice of Intention until your response to this letter is received. If you have any questions in this regard please contact me, or Lynn Kunzler of the Minerals Staff. If you wish to arrange a meeting to sit down and discuss this review, please contact us at your

Dan Proctor
Unico, Incorporated
M/031/003
November 22, 2004

earliest convenience. Thank you for your cooperation in completing this
permitting action.

Sincerely,

A handwritten signature in black ink that reads "Daron R. Haddock". The signature is fluid and cursive, with the first name "Daron" and last name "Haddock" clearly legible.

Daron R. Haddock
Permit Supervisor
Minerals Regulatory Program

DRH:lk;j
Attachment: Review
cc: Mark Lopez, Operator
Steve Winslow, USFS
O:\M031-Piute\M0310003-Unico\final\7threv-11222004.doc

**SEVENTH REVIEW OF NOTICE OF INTENTION TO COMMENCE LARGE MINING
OPERATIONS**

**Unico, Inc.
Deer Trail Mine**

**M/031/003
November 22, 2004**

R647-4-106 - Operation Plan

106.2 Type of operations conducted, mining method, processing etc

The plan states that the cement pad outside of the PTH Tunnel will be broken up and buried onsite. The Forest Service permit states that this type of material will be removed from the site, approval is needed from the Forest Service to bury any of this material onsite. If approval is not received, removal should be added to the surety estimate. (DJ)

106.9 Location & size of ore, waste, tailings, ponds

The inside dimensions of the fresh water pond described in this section is 80X80X8. In section 110.2 it is shown as 100X100. Please correct this discrepancy. (DJ)

R647-4-110 - Reclamation Plan

110.2 Roads, highwalls, slopes, drainages, pits, etc., reclaimed

The plan states --excess water as the result of a storm event is being proposed to be pumped back to the make-up water tank. Should this tank reach capacity, water from this tank would be discharged to a natural drainage. Because a portion of the water in the make-up water tank could potentially be fluids from the tailings ponds, does Unico need a water discharge permit from UDWQ for this type of proposed activity? (DJ)

The plan states that the Upper Deer Trail waste dump will be terraced at a 3:1 slope and soil from the adjacent area will be placed on the newly terraced dump. Please state the depth of soil to be placed over this area and add the placement of this additional material to the surety calculations. (DJ)

The plan states the fresh water pond will be back filled with present dam material. The plan should include plans for the disposal of the pond liner material. If this material is to be removed before the pond is backfilled, these activities should be included in the surety calculations. (DJ)

110.3 Description of facilities to be left (post mining use)

This section describes the access road to the fresh water pond is 150X20, section 106.9 describes the road as 260X20. Please correct this discrepancy. (Note: The plan states that this road will be reclaimed.) (DJ)

110.4 Description or treatment/disposition of deleterious or acid forming material

The plan states that foundations from the buildings at the PTH Tunnel area will be broken and buried onsite. Forest Service approval will be needed to allow Unico to bury these materials onsite. If approval is not received, the surety should be adjusted to reflect additional trips to the landfill. (DJ)

110.5 Revegetation planting program

Under the Seeding Method portion of the plan it states "Plowing with the hoe bucket will harrow the soil sufficient enough for a seed bed." Gouging a minimum of two feet deep with the hoe bucket or deep ripping will be necessary for seedbed preparation. (DJ)

On page 25 (part f), it states that, "Organic mulch with straw will be used . . .". As stated in previous reviews, please plan to use composted manure. The rate will be determined after a review of the soil analysis that is forthcoming. Please make this correction in the plan. (LK)

R647-4-112 - Variance

An incomplete variance request for three variances has again been inserted into the Notice, identifying three areas. First, a variance for the depth of soil. The Division was under the impression that the soil depth issue had been resolved. The depth of replacement as identified were agreed to. A variance is not needed for these agreed-upon depths of replacement.

Second, to leave certain building and structures. As stated in previous reviews, the Division will not approve a variance to leave structures until the time of reclamation. If, at that time, the structure has a demonstrated use for the intended post mining land use, a variance can be requested and approved.

Third, to reclaim only the 'widened portion' of pre-existing roads that were widened to accommodate the mining operation. This again does not need a variance. This is standard procedure for the Division. At this time, there are no variances approved for the Deer Trail Mine. (LK)

R647-4-113 - Surety

The surety should include labor time to remove the fence around the chemical storage trailer.

An additional acre of seeding should be added to account for the area disturbed when the soil from the borrow area is removed.

The surety does not account for the trackhoe time necessary to reduce the access road width of the Upper Deer Trail road.

The surety calculations indicate that a total of 140 trips will be made to move 7000 cy of topsoil to the reclaimed sites. This truck would need to be capable of moving 50 cy/trip. What type of truck is being proposed for this soil removal project? Considering the areas that this truck will need to maneuver and operate, a smaller truck is suggested for use in this operation.

An additional piece of equipment should be mobilized for this work, a dozer, truck, loader, and a trackhoe.

On page 29 Unico's statement about the two bonds presently being held contains the incorrect acreage figure. (DJ)

R647-4-115 - Confidential Information

The plan indicates that confidential material is contained in this application. Please identify the confidential material to allow the Division to remove this material before the plan is placed in the Public Information Room. (LK)